



BANK OF PAPUA NEW GUINEA

National Payments System Development Project

**Request for Information for a
National Card and Mobile Payment Switch**

**Port Moresby
May 2016**

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1. Introduction and Background

1.1 Introduction

The Bank of Papua New Guinea (BPNG) is considering the procurement of a national electronic card and mobile payments switch. The purpose of this Request for Information (RFI) is to acquire relevant information from potential suppliers. Following assessment of responses to this RFI, BPNG may issue a Request for Proposals (RFP) for the provision of a switch and related services to a short-list of potential suppliers as described in section 4.4. However, BPNG undertakes no commitment through the issue of this RFI and/or the subsequent receipt of responses to proceed any further with this process should it so decide.

1.2 Papua New Guinea

Papua New Guinea (PNG) is an independent state in the south-west Pacific with a land area of approximately 460,000 square kilometres. It occupies the eastern half of the island of New Guinea together with a large number of smaller islands. The country is culturally very diverse, with over 800 languages spoken, many of them by very small numbers of people.

Some 15 per cent of the approximately seven and a half million population live in a small number of urban centres, of which the largest is the National Capital District (NCD) surrounding the capital, Port Moresby. These centres are well-serviced with modern infrastructure, including well-developed banking and other financial services.

The rest of the population is spread throughout the country in smaller towns, villages and thousands of rural communities, many of which are extremely small and remote. In general the infrastructure in the more remote communities is underdeveloped, and, due to the challenging nature of much of the terrain, not all communities are connected by road. In recent years both coverage and usage of mobile telephones have grown rapidly.

PNG has extensive mineral resources including gold, copper, rare earth elements, nickel, cobalt, chromium, molybdenum, iron and platinum, as well as substantial deposits of natural gas. In addition the country exports a range of agricultural and non-agricultural commodities such as vanilla, palm oil, copra, copra oil, cocoa, coffee, tea, rubber, logs and marine products. The economy has shown impressive growth in recent years, much of it based on the export of liquefied natural gas and minerals. However, the recent international downturn in commodity prices has had a significant adverse impact on government revenues and economic activity in general.

Generally speaking the economy is fragmented, with a small formal sector oriented towards resource extraction and a large informal sector dominated by subsistence and semi-subsistence activities. The government has a number of programmes in place to stimulate the agricultural sector, reduce the nation's dependence on minerals and hydrocarbons and engage a greater proportion of the population in the formal sector.

1.3 National Payments System Development Programme

1.3.1 Developments 2008-2015

BPNG is the central bank of PNG. One of its responsibilities as specified in the Central Banking Act 2000 is to “promote an efficient national and international payments system”. In line with this responsibility, during 2008/2009 BPNG undertook a review of the National Payments System (NPS) of Papua New Guinea, based on needs and intentions articulated in BPNG’s *2005-2008 Strategic Plan*.

The objective of the review was to identify areas where the NPS should be reformed and modernised in order to ensure, first, that it is fully able to support the use of safe, efficient, modern payment instruments and methods (particularly electronic payments) and, second, that full and equal opportunities are available for all Papua New Guinean individuals, companies and organisations to participate in the NPS. The review was carried out in wide consultation with stakeholders from the banking, financial, government and business communities and resulted in the publication of the *Vision and Strategy for the future PNG National Payments System*¹ in late 2009.

Following its publication BPNG commenced implementing the recommendations of the *Vision and Strategy*. The major achievements to date have been:

1. Enactment of the National Payments System Act 2013 which, among other provisions, gives recognition to modern payment instruments and methods.
2. Implementation of the Kina Automated Transfer System (KATS) which is housed at, and operated by, BPNG. This is an integrated electronic inter-bank system which carries out the following main functions:
 - Real time gross settlement of high value and high priority payments;
 - Clearing of retail-level direct credit transfers;
 - Clearing of electronically truncated cheques;
 - Clearing of direct debit transfer instructions (this function is not yet in operation).

KATS has been fully operational (with the exception of direct debits) since early 2015. It provides complete interoperability of payments between the four commercial banks and BPNG, which are currently the only participants in KATS. BPNG plans gradually to extend participation to non-bank financial institutions during the next few years. Work is also ongoing to move all Government payments (disbursements) and revenue receipts to electronic payment transactions processed through KATS.

1.3.2 Market developments

During the period from 2009 to 2015 significant numbers of new payment instruments, systems and providers have come on the scene. While the number of commercial banks (four) has remained the same, there has been strong growth in the non-bank market. Several innovative retail payment services are now available, particularly based on mobile telephones. These are offered by a range of providers

¹ Available on BPNG’s website at <http://www.bankpng.gov.pg/payment-system/development-programmes/>

including both financial institutions and mobile network operators as discussed in more detail in section 2. Despite this, the market remains generally underdeveloped, and BPNG sees considerable scope for encouraging the introduction of modern, innovative, electronic payment systems and services in PNG, particularly outside the main centres.

Also, with the exception of the inter-bank payments handled by KATS and the ATM and EFTPOS networks of the commercial banks, no payment systems or services in PNG are interoperable. BPNG views this as an inhibiting factor in achieving its aims for the NPS, especially in terms of financial inclusion (see next paragraph). It is of concern to BPNG as the regulator and overseer of the NPS and is one of the main drivers behind the move to establish a national card and mobile payments switch.

1.3.3 Financial inclusion

Since 2013 BPNG has led a drive for financial inclusion of the unbanked and low-income sections of the population. Drivers for this include the high cost of opening and operating bank accounts for people on very low incomes, as well as a high level of financial illiteracy in broad sections of the population. Major steps taken so far include:

- Establishment of the Centre for Excellence in Financial Inclusion (CEFI)² in 2013;
- Publication of the *National Strategy for Financial Inclusion and Financial Literacy 2014 – 2015*³;
- Committing PNG to the Maya Declaration⁴ developed by the Alliance for Financial Inclusion (AFI).

As with equivalent programmes in other countries, a strong focus for financial inclusion in PNG is on the provision of digital financial services (DFS) to poorer individuals and communities, including services such as mobile payments and agent or branchless banking. This is particularly aimed at those living in rural areas.

1.3.4 Planned future developments

In 2015 BPNG carried out a review and update of the 2009 *Vision and Strategy*. The objectives of the review were to:

- Assess progress to date in carrying out the 2009 *Vision and Strategy*;
- Adjust and/or update the Strategy as necessary in light of the developments from 2009 to 2015 described above;
- Specify the developments over the next few years to be undertaken by BPNG in consultation and co-operation with NPS stakeholders;
- Present an action plan for carrying out the planned developments.

² See <http://thecefi.com/>

³ Available on BPNG's website at <http://www.bankpng.gov.pg/links/financial-inclusion/>

⁴ See <http://www.afi-global.org/maya-declaration>

The output from the review was the *Strategy and Action Plan for the Development of the PNG National Payments System 2015-2018*⁵ which was approved by BPNG management in November 2015 and was launched at a seminar later in the same month.

One of the major actions specified in the *Strategy and Action Plan* is the procurement and implementation of a national card and mobile payments switch, which is the subject of this Request for Information (RFI).

1.4 This RFI

As noted above, there is currently no interoperability among electronic payment services in PNG, other than ATM and EFTPOS services provided by the commercial banks which is achieved via bilateral agreements between the banks (although it may also be noted that many retailers have EFTPOS terminals from more than one bank on their counters). This is seen as inhibiting the growth of DFS, particularly among the currently unbanked and underserved sections of the population. In addition other factors, particularly cost and geographical reach, tend to make it difficult for a broad range of smaller payment service providers to enter the market.

In order to address these factors, BPNG intends to purchase and implement a national electronic card and mobile payments switch with the following main objectives:

- To ensure interoperability of all electronic payment services in PNG including both card and mobile phone-based services;
- To enable smaller payment service providers to enter the market at a reasonable cost, thus promoting competition and consumer choice and lowering the cost of payments to end-users;
- To promote the widest possible geographical coverage of innovative electronic payment services in PNG, particularly using mobile devices.

In order to achieve these objectives, BPNG intends that all card and mobile payment services will be connected to the switch.

1.5 Abbreviations

AFI	Alliance for Financial Inclusion.
ATM	Automated Teller Machine.
ATS	Automated Transfer System.
BPNG	The Bank of Papua New Guinea.
BSP	Bank of South Pacific.
CEFI	Centre for Excellence in Financial Inclusion.
DFS	Digital Financial Services.

⁵ Available on BPNG's website at <http://www.bankpng.gov.pg/payment-system/development-programmes/>

EFTPOS	Electronic Funds Transfer at Point of Sale.
EMV	Europay, MasterCard and Visa, a technical standard for smart payment cards and for payment terminals and automated teller machines that can accept them.
KATS	Kina Automated Transfer System.
MFI	Microfinance Institution.
MNO	Mobile Network Operator.
NBFI	Non-Bank Financial Institution.
NPS	National Payments System.
PGK	Papua New Guinea Kina (local currency).
PNG	Papua New Guinea.
RFI	Request for Information.
RFP	Request for Proposals.
RTGS	Real Time Gross Settlement.
SLS	Savings and Loans Society.
SMK	Salim Moni Kwik.

2. Current Situation

As in most countries the PNG NPS is characterised by several different types of financial institutions. The following paragraphs give brief details of the present state of the PNG payments landscape as it applies to this RFI.

2.1 Banks

The commercial banking sector in PNG is well-established and of long standing (the first bank opened in 1910). However, the penetration of the banks into the population is very low; the total number of accounts held at these institutions is estimated not to exceed ten percent of the total population (noting that many accounts are held by organisations rather than individuals, and that a number of customers will have more than one account). Nevertheless, this probably also equates to a high percentage of the ‘formal’ economy (comprising larger organisations and their employees). The geographical penetration of the banks is also fairly shallow and is generally confined to the major population centres, although this is changing somewhat with moves towards branchless and agent banking, particularly by Bank of South Pacific (BSP).

There are currently four licensed commercial banks in PNG which are described below. They offer a wide range of modern services and products, including transaction and savings accounts, debit and credit cards, ATMs, EFTPOS, Internet banking, mobile phone banking and electronic crediting of salaries. The services

available are generally comparable to those offered in the more advanced economies in the region.

With the exception of Kina Bank, each bank operates its own network of ATMs and EFTPOS terminals. Kina Bank, which is relatively newly-established, has recently entered into an arrangement to use Westpac's network. The three current networks are interoperable in that a card issued by one bank can be used in another bank's ATM or EFTPOS terminal. This is achieved through bilateral agreements, with net positions being calculated every evening and settled the following morning in the RTGS function of KATS.

2.1.1 ANZ

ANZ Bank PNG Limited (ANZ) is a locally-incorporated subsidiary of ANZ Bank, whose head office is in Melbourne, Australia. In PNG ANZ has 15 branches, some 70 ATMs and approximately 1,500 EFTPOS terminals installed.

ANZ offers a mobile banking service to its own customers in PNG and other Pacific countries called goMoney. This is tied to regular bank accounts and cannot be used to send or receive funds transfers to or from customers of other financial institutions. In each country goMoney can only be used for domestic transfers. There are over 7,500 registered goMoney customers in PNG.

2.1.2 BSP

Bank of South Pacific Limited (BSP) is locally-owned and is the largest bank in PNG in terms of customers, deposits and transactions by a considerable margin. BSP has some 80 branches, over 300 agents, over 300 ATMs and more than 9,000 EFTPOS terminals installed. In recent years it has been successful in attracting new customers outside the main population centres through its "BSP Rural" project which is targeted at rural clients, offering basic savings services at reduced fees and with biometric identification.

As noted above, in addition to its own branches BSP operates through a network of agencies in smaller centres. It also offers two mobile phone-based services:

- (i) BSP mobile money, which is targeted at its own account holders and provides a range of banking and payment services, with slightly more than 300,000 registered customers. It cannot be used to send or receive funds transfers to or from customers of other financial institutions.
- (ii) BSP Wantok Moni. This service does not require the recipient of funds to have a BSP bank account. Anyone registered for mobile banking can send funds through Wantok Moni to any recipients who have Digicel mobile phones. It is available to all registered BSP mobile money customers.

2.1.3 Kina Bank

Kina Bank Limited is a member of Kina Group, a well-established PNG company which offers a range of financial services including wealth management, funds management and stockbroking. In 2015 Kina Group bought the operations and banking licence of the Malaysian bank Maybank, which had been operating on a small scale in PNG for a number of years. At present Kina Bank has five branches.

Pending the introduction of the national switch, Kina Bank has entered into an arrangement with Westpac for the use of its ATM and EFTPOS network.

2.1.4 Westpac

Westpac Bank PNG Limited is a locally-incorporated subsidiary of Westpac Bank, whose head office is in Sydney, Australia. In PNG Westpac has 17 branches, 60 ATMs and some 2,100 EFTPOS terminals installed.

Westpac has an agency banking service called In-Store Banking which operates through EFTPOS terminals in over 100 retail establishments. It also offers a mobile phone-based service called Westpac Mobile Banking, which is targeted at its own account holders and provides a range of banking and payment services (including transfers to customers of other banks), with some 57,000 registered customers.

2.2 Microfinance institutions

There are currently five microfinance institutions (MFIs) in PNG offering services which include a variety of different accounts (savings, transaction, fixed deposit and special savings) and a wide range of lending activities.

Two MFIs currently offer card or mobile payment services, as described below. There is considerable interest among all MFIs in being able to provide such services in a cost-effective way. The planned national card and mobile payment switch is therefore of particular interest and relevance to this sector.

2.2.1 MiBank

The largest MFI is Nationwide Microbank Limited which operates under the name of MiBank and has 12 branches. In addition to 'traditional' MFI activities, MiBank offers two services of relevance to this RFI:

1. A debit card called MiCard which is issued in collaboration with BSP. This is a MiBank-branded card which can currently be used only in BSP's ATMs, EFTPOS terminals and merchants.
2. A mobile money service called MiCash. This service uses Digicel's mobile network and has in excess of 27,000 accounts. In addition to mobile-to-mobile transfers, it can be used for cash-in/cash-out and other transactions in almost 150 access points throughout PNG.

2.2.2 People's Microbank

People's Microbank is owned by the National Development Bank, a government-owned institution, and has branches in five centres. It launched a SMS banking facility mainly for balance inquiry in April 2015 but plans to expand into other services. Later in 2015 it launched ATM and EFTPOS services.

2.3 Savings and Loan Societies (SLS)

These are member-owned institutions whose core business is to collect savings from members, use the funds to provide loans to members at affordable interest rates and train members in financial literacy. In addition to a number of occupational SLS (e.g. Teachers', Police, etc.) there are six regional SLS. None of them currently offers any card or mobile payment services, but a number of the larger ones have expressed interest in joining the national switch when it comes into operation, so that they can start to offer innovative payment services.

The legislation governing SLS is currently being revised, after which they will cease to be member-only institutions. As a result they will exist in a much more competitive environment, and so the ability to provide modern electronic payment services may be critical to their ongoing success.

2.4 Mobile network operators

There are three MNOs in PNG, namely bmobile-Vodafone, Citifon (operated by Government-owned Telikom PNG, which also operates the national fixed-line network) and Digicel. Of the three, only Digicel so far offers a mobile payments service under the name of Cellmoni. This uses Telepin software which is also used to support MiBank's MiCash service and was used for Post PNG's Mobile SMK (see below).

At the present time all mobile payment services in PNG operate only on Digicel's network.

2.5 Post PNG

The PNG postal service, Post PNG, has for some years offered a domestic remittance service called Salim Moni Kwik (SMK). Using SMK, the sender pays cash at a Post PNG outlet and the order is sent by fax to another outlet, where the cash can be collected by the beneficiary on presentation of suitable identification.

In 2011 Post PNG launched a mobile version of SMK called MobileSMK which allowed customers to conduct person-to-person money transfers using their mobile phones. MobileSMK used the Digicel mobile money service and provided deposit and cash-out services at all post offices and agencies, as well as mobile-to-mobile transfers. The service was shut down in 2015.

3. The Requirement

As previously noted, BPNG's objective is to ensure that all payment services and systems in PNG are interoperable. The procurement and implementation of a single national switch is a key step in achieving this. BPNG intends that all providers of card-based and mobile phone payment services will use the switch, either by connecting their own networks and systems or by using services provided by the switch operator.

Via this RFI, BPNG wishes to gather information on the functional and technical possibilities for installing and operating an integrated national switch for card and mobile payments, and also to gain an appreciation of the likely budgetary requirements for this.

3.1 Respondent information

Responses to this RFI are invited from companies which satisfy the following criteria. Respondents must provide detailed evidence that they satisfy each criterion.

- Respondents must have at least three years' experience of supplying card, mobile and related payment system products and development services, and

relevant integration and (preferably) operation services covering software, hardware and communications networks.

- During the past five years, respondents must have completed at least two successful contracts involving the supply, implementation and support of multi-participant card/mobile payment switches, each connecting at least six participating institutions. At least one of these should be at national level, preferably connecting all card/mobile payment service providers in the country.
- The system must be operational in at least two different countries, preferably similar to or larger than PNG. The number of cards issued must be at least 500,000 in each country, and these systems must each support at least 200 ATMs and 5,000 EFTPOS terminals.
- The system must include integrated Internet e-commerce and mobile payment gateways.
- The system must have been certified by at least two of the main international card payment networks (MasterCard, Visa, JCB, China Union Pay, etc.).
- The respondent must be able to offer fully-developed packaged software for this procurement. BPNG does not wish to undertake systems development, although it is appreciated that some customisation may need to be carried out.

3.2 Functionality

BPNG's objective in issuing this RFI is to gather information on the capabilities and functionalities available in the modern switch software packages available on the market. This sub-section is intended to describe the capabilities which BPNG may wish to acquire for the PNG national switch, as either mandatory or desirable functions. In the latter case, the decision as to whether to purchase or implement any particular capability will be based on: (i) a cost/benefit calculation; and (ii) whether BPNG and the PNG financial community see a need or potential need.

Respondents must describe the capabilities of their switch offerings, answering in sufficient detail for BPNG to develop a good understanding of them. Responses must also clearly indicate which capabilities are included in the base package and which are optional extras. Responses should also provide sufficiently detailed information on any other functionalities available in their products which are not mentioned below.

BPNG expects that the switch system to be procured will have at least the following functional capabilities.

3.2.1 Transactions

- A full range of ATM, EFTPOS and mobile transactions (respondents should describe these);
- Card-to-card, card-to-account, mobile-to-mobile and mobile-to-account transfers (respondents should describe these);
- Bill payments (respondents should describe these).

3.2.2 Services

- Ability to handle both magnetic stripe and EMV chip cards (with and without PIN);
- Multiple products / services per card;
- Internet e-commerce gateway (please give details);
- Mobile payments gateway (please give details);
- Real time update of balances for mobile wallets;
- Ability to handle multiple currencies;
- An integrated card management system including generation/personalisation/issuing on behalf of those participants which wish to make use of this service;
- Inter-participant clearing and settlement;
- Fraud prevention/control/detection module;
- Dispute resolution module;
- Comprehensive reporting and on-line enquiry capabilities.

3.2.3 Technical capability

- Capacity of up to 100 transactions per second (through both the switch software and the Hardware Security Module);
- Ability to control ATMs and POS terminals either directly-connected or connected via participant networks;
- Gateway to international networks such as Visa/MasterCard/CUP/JCB etc.;
- Industry standard connection and communication protocols (these should be specified in total and detail);
- Connectivity to existing in-house ATM and EFTPOS switches and/or core banking systems at commercial banks;
- Connectivity to the national RTGS system (KATS) for settlement of net positions arising from periodic clearing sessions within the switch;
- Comprehensive reporting and on-line enquiry capabilities.

3.2.4 Security

- Extensive security features including:
 - System access controls;
 - PCI-DSS conformity;
 - Security of card personalisation functionality;
 - Encryption of all data in transit;
 - Any other security features.

3.3 Technical requirements

Responses must provide information on the technical (IT) environment for their switch product, including the following (with information on any options such as different operating systems supported, etc.):

- Servers;
- Data storage;
- Security hardware;
- Other hardware items;
- Database management software;
- Any other software/middleware;
- Any required participant equipment;
- Any other items.

One of the options being considered by BPNG for the national switch is to procure it as a complete turnkey package including, not only the switch software and implementation services, but also the technical operating environment. If it is decided to go ahead with procurement on a turnkey basis, detailed sizing of the required technical environment will be contained in a Request for Proposals (RFP) which BPNG may issue following evaluation of responses to this RFI (see Section 4.4). At this stage, for purposes of comparing responses, recommendations should be based on the following:

- 1,000 ATMs (both existing connected through member banks and also new directly-connected);
- 20,000 EFTPOS terminals (both existing connected through member banks and also new directly-connected);
- 200,000 cards in circulation;
- 15 payment service providers;
- 200,000 transactions per day;
- Peak throughput in one hour of 2 x average 08:00 to 18:00 volumes;

Assuming that BPNG proceeds to RFP for the national switch, BPNG expects to base the procurement on the following performance parameters:

- Response times for ATM, EFTPOS and mobile phone dialogues of two seconds (average) and ten seconds (maximum).
- Availability level of 99.98% 24 x 365.

BPNG expects recommendations to be based on at least a high availability configuration at the main data centre and a secondary (Disaster Recovery) data centre capable of running the entire system in the event of non-availability of the main data centre. In addition recommendations should be sized to allow for a test/training configuration at the main data centre, to be used as required for testing of changes to the software, training of staff, etc.

3.4 Services

There is very little existing knowledge or experience of operating a switch at national level in PNG. Consequently BPNG will expect the provision of exceptional service quality from the successful supplier across a wide range of services. The successful supplier will therefore be selected on the basis of, not only product technical qualities, but also service capability and track record. The range, depth and quality of proposed services will account for a significant percentage of the evaluation scoring of proposals at the RFP stage (see 4.4).

Responses should therefore provide information on services available and envisaged, based on respondents' practical experience in similar implementations. The information should be in sufficient detail to persuade BPNG that the services will ensure the successful implementation of the PNG national switch, as detailed in the following paragraphs.

3.4.1 Implementation

BPNG will expect the successful supplier to provide a very high level of implementation services for the entire project from inception up to final acceptance of the switch. Responses must therefore provide information on respondents' capabilities in this area, including at least the following:

- Business-level consulting, drawing on the respondent's international experience in implementing payment switches at a national level. This should include:
 - Assisting in finalising the specific functional characteristics of the switch and other software elements;
 - Advising on ancillary/associated activities (for example card supply, personalisation and issuance);
 - Advising on procedural aspects such as the development of operational rules and procedures, pricing and charging regime and any other areas where the supplier can offer guidance on good practice and avoidance of pitfalls, consistent with international best practice, such as provision of example/boilerplate documentation for system rules, participant agreements, operating procedures and charging policies;
 - Advising on operational and governance aspects of switch operation, including contributing to the decision as to whether the switch should be wholly operated by BPNG or outsourced to a specialist provider.
- Project Management;
- System requirements analysis to confirm the functional requirements of the switch system in the specific environment of PNG;
- Any customisation and integration of the software necessary to meet the detailed local requirements;
- In the case that BPNG proceeds to procurement on the a full turnkey basis, installation, commissioning and testing of all technical components specified in Section 3.3, including integration with existing IT environments as necessary;
- Installation of the application software including technical and integration testing;

- Implementation of all required linkages, including with existing systems and networks in banks and other institutions, and KATS;
- System testing;
- Knowledge transfer and training at both business and technical levels;
- Documentation.

3.4.2 Personnel

Together with the quality of the software itself (in terms of functionality, performance and reliability), the capabilities and experience of the implementation team constitute the most important factor in the success of any systems project of this nature. BPNG will therefore assign a significant weighting to the proposed implementation team members during evaluation of RFP responses.

At this stage respondents should describe the typical make-up of their project team for a switch implementation and also include example CVs of relevant staff who might work on the PNG switch project. No commitment is expected at this stage regarding availability of individual team members.

3.4.3 Post-implementation

Responses should indicate the level and nature of the post-implementation services that the respondent feels may be necessary and appropriate in the PNG context. BPNG expects these to include at least:

- Support of the switch software, including operation of a 24-hour help desk, issue/problem resolution, bug-fixing and provision of new and upgraded versions as applicable;
- Support/maintenance of the IT components if these have been supplied under a turnkey procurement.

3.5 Indicative pricing

Respondents are requested to include in their responses itemised indicative (on a no-commitment basis) pricing for all elements of their responses, indicating as applicable any volume-dependent prices (e.g. based on numbers of transactions, cards etc.). These should include at least:

- Core (base) switch software package;
- Each optional software module;
- IT items specified in 3.3;
- Services as described in 3.4 (respondents are advised to check the cost of accommodation and related expenses in Port Moresby when preparing this estimate);
- Any other items that the respondent feels may be relevant;
- Ongoing (i.e. post-live) support.

4. Next Steps

4.1 Responses

BPNG will not be liable for any expense incurred by respondents in preparing their responses to this RFI and/or in preparing any subsequent proposals.

4.1.1 Submission of Responses

Responses to this RFI must be submitted as follows:

- Responses must be in the English language.
- Responses in electronic format must be sent by email by 2.00 p.m. PNG time on Friday 24 June 2016 to Ms. Theresa Lyon (TLyon@bankpng.gov.pg) with the subject line “**Response to RFI for PNG National Payments Switch**”.
- BPNG will send email acknowledgement of receipt of all responses.

4.1.2 Conflicts of Interest

Any conflict of interest or potential conflict of interest on the part of a respondent or individual employees or officers of a respondent, must be fully disclosed to BPNG.

4.1.3 Confidentiality

BPNG and its advisers will treat all information received in response to this RFI in confidence and will use it solely for the purpose of deciding whether to invite the respondent to submit a proposal.

4.1.4 Clarification

All requests for further information or clarification of these requirements must be directed by email to Ms. Theresa Lyon as above.

Each such request and BPNG’s response will be emailed to all prospective proposers prior to the closing date (without identifying the source of the queries).

4.2 Format of Responses

Responses should be structured as below.

4.2.1 Corporate Overview

- Full company name and address.
- Name and full contact details for a nominated individual dealing with the response to this RFI and any follow on communications.
- Any other legal or trading names used in the past five years.
- Description of the respondent’s business. (Note: aspects of a business of no relevance to the subject matter of this RFI need not be described in detail but should be identified).
- Other information as requested in Section 3.1, and sequenced accordingly.

4.2.2 Financial Overview

- A statement of the company's overall annual turnover and net assets and its turnover in respect of the specific services relevant to BPNG's requirements for the previous three financial years.
- A copy of the latest-available audited accounts (including, where relevant, Group accounts).
- Details of any litigation against the company concluded in the last two years or currently in progress or pending which is relevant to BPNG's requirements or which may affect the overall financial position of the company. Details of any matter which in the opinion of the respondent are immaterial need not be disclosed.

4.2.3 Product information

Responses should contain full details of products, including optional modules, which may satisfy the requirements outlined in Sections 3.2 and 3.3.

4.2.4 Services

Responses should contain detailed information on the respondent's ability to provide the full range of services as outlined in Section 3.4.

4.2.5 Financial Implications

Responses should include indicative pricing information (on a strictly no-commitment basis) for all aspects of the respondent's product and services capability, as specified in Section 3.5.

4.3 Site visit

Any respondent that would like to visit BPNG during the RFI response period, in order to assess for itself the current situation and future requirements, is welcome to do so at its own expense. Visits must be arranged by email to the address in 4.1.1 at least one working week prior to the intended date of the visit.

4.4 Evaluation of responses

After the deadline for receipt of responses, BPNG will check responses for conformity with the criteria specified in 3.1. Responses which satisfy the criteria will then be evaluated by BPNG's switch project team who will draw up a short-list of between three and six respondents.

4.4 RFP

Following evaluation of responses, BPNG currently intends to draw up a Request for Proposals (RFP) which will be sent only to short-listed companies. The timetable for the next steps will be notified in the RFP. However, BPNG accepts no obligation through the issue of this RFI and/or the subsequent receipt of responses to proceed further with this process should it so decide.